“Setting Up On Your Own”

“Kitting Out” the Practice – Tangible Assets

This month, we will look at kitting out the practice with essential assets and equipment. You will be purchasing/leasing an empty shell and effectively will be starting with a “blank canvas”. You will therefore need to consider the layout of the surgery, planning design, equipment and stock, IT system and suppliers.

Subject to any planning restrictions etc., or any restrictions in your Lease (if applicable), you will have free reign to design the layout of the surgery as you wish. Plan in advance and have a detailed idea of how you want the surgery to look. Depending upon your budget, you may want to engage a designer or architect to help.

Every practice will need an efficient and suitable IT system. How will you know which one would suit your practice? You will need to consider what information it will need to hold, its accessibility capabilities and user friendliness. To get significant benefits from IT, you need to be able to trust your IT systems. This means having confidence in the company supplying, managing and maintaining them. Choosing the right IT supplier is therefore an essential part of selecting an effective IT solution. Watch out however for the cost of maintenance contracts. You need proper maintenance but some costs can be high and some providers try and lock you into long terms. It is a good idea to shop around.

You must purchase equipment that is suitable for your requirements and needs. Dental equipment can be expensive and you should not rush in making your decision by purchasing the newest, most expensive equipment. It is always worthwhile taking advice from colleagues and other dentists and at the same time, testing out equipment at exhibitions or conferences. Some companies may have showrooms where they demonstrate their equipment and this gives you a good opportunity to try out the equipment. Research all of the suppliers thoroughly to ensure that they provide quality equipment as well as offering reasonable servicing and repair facilities.

Purchasing, and therefore owning, equipment outright may not always be a viable financial option for you. The high initial costs in purchasing equipment may not be feasible and, if so, you will need to consider hiring equipment or entering into a leasing arrangement. Be aware of the pros and cons of leasing/hiring equipment. The obvious advantage is that there will be a minimal initial expenditure, thereby saving costs in the short run and enabling funds to be directed to other areas of the business i.e. marketing/advertising. However, whilst it will be a minimal initial expenditure, it is usually the case that leasing equipment will be more expensive than buying in the long run. Additionally, you will have built up no equity in the equipment as you will not have ownership (unless of course the equipment is obsolete at the end of the lease in which case ownership would not matter).

Choosing the right suppliers for your practice will involve a lot more than looking at the pricing. You will need to consider:

• Value for money
• Quality
• Reliability
• Accessibility

How you decide on the importance of each of these factors will depend upon your business priorities and the overall business strategy.

Next month: “Kitting Out” the Practice – Intangible Assets

About the author

Puja Patel is a member of the Commercial Team at Lockharts and works primarily in advising dentists, dental care professionals and dental corporate bodies on the commercial aspects of dentistry.